

This Section for DOGM Use:
Assigned DOGM File No.: S 6230102
DOGM Lead: _____
Permit Fee \$ _____ Ck # _____

Task ID# 2559

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Dragon Mine Tailings
2. Legal name of entity (or individual) for whom the permit is being requested:
Sandy Dell Lane Star Mining
Mailing Address: 1478 Winchester Dr.
City, State, Zip: St George Utah 84770
Phone: 435-986-9990 Fax: 435-688-8496
E-mail Address: _____

Type of Business: Corporation () LLC ☒ Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Or:
Individual ()

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 20 4654730

If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)
Issued by: County _____ or City _____

RECEIVED

JUL 29 2008

DIV. OF OIL, GAS & MINING

0003

Name of 2nd Member/Manager: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. Ownership of Land Surface:

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): Patented Mining Claims
Name Atlas Mining Address 630 W. Mullan Dr. PO Box 968
Name _____ Address Osborne Idaho 83849
Name _____ Address _____
Name _____ Address _____

6. Ownership of Minerals:

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): Patented Mining Claims
Name Atlas Mining Address 630 W. Mullan Dr. PO Box 968
Name _____ Address Osborne Idaho 83849
Name _____ Address _____
Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

5/023/6102
BLM Claim Numbers Patented mining claims

Utah State Lease Number(s): _____

Name of Lessee(s): _____

7. Have the above surface and mineral owners been notified in writing?

Yes _____ No _____

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes ☒ No ☐

II. PROJECT LOCATION & MAP (Rule R847-3-105)

1. Project Location (legal description):

County(ies): TOOELE

1/4, of 1/4, of NE 1/4: Section: 31 Township: 10S Range: 412
1/4, of 1/4, of 1/4: Section: Township: Range:
1/4, of 1/4, of 1/4: Section: Township: Range:

UTM East (if known) UTM North (if known)

Name of Quad Map for Location: Eureka Utah

2. Location and Operations maps must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, a scale, appropriate labels, title box including the mine name, township, range and section.
- Map 1: The general location map must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
 - Map 2: The operations map (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:
 - The area to be disturbed;
 - The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
 - Any adjacent previous disturbance for which the operator is not responsible.
 (Contact the Division for a list of consultants and land surveyors for mapping assistance.)
3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced (<50 feet) so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R847-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: HALOYSITE
3. Amount of material to be extracted, moved or proposed to be moved:

4. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?
Yes ☐ No ☒ If yes, please describe (add extra pages if needed) _____

5. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). PUSH INTO PILE WITH
DOZER / LOAD TRUCKS WITH FRONT END
LOADER

REGRADED & SEEDED WHEN COMPLETED

6. ☐ New Road(s): Length 0 (ft) Width _____ (ft)

7. ☐ Improved Road(s): Provide a description of the improvements that need to be made to existing roads to access the site, including the Length 0 (ft) and Width _____ (ft) of improvements.

8. Total project surface acreage to be disturbed: 5 (acres) PLEASE SPECIFY
EXACT ACREAGE - (this will be used to determine surety bond amount - see
#VI).

9. Proposed startup date of project (month, year) 7-1-08

10. Proposed completion date of project, if known (month, year) unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.dcm.utah.gov.

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.

The surety amount is based on the nature, extent and duration of operations. The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

I will provide surety in the form of a: Certificate of Deposit, Letter of Credit, Surety Bond, Cash (certified funds), or Division Approved form.

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(f)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(f)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

aid previously

☒ ☐

I have enclosed the required permit fee.

I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.

Signature: _____

Sandy Nell

Date: _____

7-22-08

Name (typed or printed): _____

Sandy Nell

Title/Position (if applicable): _____

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